

Message Text

CONFIDENTIAL

PAGE 01 BUENOS 02038 01 OF 02 232305 Z

72

ACTION ARA-17

INFO OCT-01 ADP-00 SS-14 SIL-01 AID-20 PM-09 L-03 EB-11

COME-00 AGR-20 OMB-01 TRSE-00 PC-15 CIAE-00 INR-09

NSAE-00 RSC-01 NSC-10 EUR-25 NEA-10 RSR-01 /168 W
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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 1411

CONFIDENTIAL SECTION 1 OF 2 BUENOS AIRES 2038

E. O. 11652: GDS

TAGS: EAID

SUBJ: AIFLD REGIONAL PROGRAM

REF STATE 22191

1. BEGIN SUMMARY: UNDER NORMAL CIRCUMSTANCES CASP SUBMISSION WOULD BE APPROPRIATE VEHICLE FOR EXPLANATION OF MISSION VIEWS VIS- A- VIS USG INTERESTS AND PROGRAMS IN LABOR SPHERE. BECAUSE OF THE REQUESTED POSTPONEMENT OF THE CASP SUBMISSION DATE, HOWEVER, AND THE NEED FOR AN EARLY DECISION REGARDING A POST-AIFLD LABOR PROGRAM, MISSION HEREIN SUBMITS JUSTIFICATION AND ELABORATION OF PROPOSALS PREVIOUSLY PRESENTED, AS REQUESTED REFTEL. END SUMMARY.

2. MISSION RESPONSES TO QUESTIONS RAISED IN PARAGRAPH TWO OF REFTEL WHICH ARE SUBSEQUENTLY ELABORATED HEREIN ARE AS FOLLOWS:

A. US LABOR PRESENCE CONNOTES BOTH USG AND US LABOR. PRINCIPAL OBJECTIVE OF US- ARGENTINE RELATIONSHIP IS TO INFLUENCE ARGENTINE LABOR MOVEMENT AND ENCOURAGE ADOPTION OF POLICIES FAVORABLE TO US INTERESTS. USG AND US LABOR INITIATIVES SINCE 1964 HAVE CREATED CONDITIONS WHEREBY MOST ARGENTINE UNIONS ARE SUSCEPTIBLE TO US INFLUENCE. US LABOR PRESENCE ENHANCES CAPACITY FOR EXERTING INFLUENCE BY FACILITATING CONSTRUCTIVE US- ARGENTINE RELATIONS VIA PROPOSED REGIONAL PROGRAM.

B. ARGENTINE INTERESTS ELSEWHERE IN LATIN AMERICAN ARE JUXTAPOSED WITH CONVICTION THAT THE BASICALLY DEMOCRATIC ARGENTINE LABOR

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUENOS 02038 01 OF 02 232305 Z

MOVEMENT BY NATURE OF ITS ADVANCED DEVELOPMENT AND ORGANIZATIONAL STRENGTH SHOULD BE DOMINANT FORCE IN LATIN AMERICN LABOR.

PERONIST " THIRD POSITION" PREVAILS BUT ANTI- MARXIST SENTIMENT IS DEEPROOTED WHILE ENMITY TOWARD US HAS DIMINISHED CONCURRENTLY WITH

DEVELOPMENT OF CLOSER TIES WITH US LABOR. MOST ARGENTINE ACTIVITIES IN LATIN AMERICA ARE PRESENTLY CARRIED OUT THROUGH US DOMINATED TRADE SECRETARIATS.

C. RECENT PERONIST VICTORY IN NATIONAL ELECTIONS ASSURES PERONIST- CONTROLLED LABOR MOVEMENT OF PARTICIPATION AT ALL LEVELS OF NEW CIVILIAN GOVERNMENT. MISSION THEREFORE GIVES PRIORITY STATUS TO POLICY OBJECTIVE OF EXPLOITING AND ENHANCING USG AND US ALBOR INFLUENCE IN LABOR SECTOR IN SUPPORT OF US INTERESTS. MISSION BELIEVES REGIONAL PROGRAM OF THREE YEARS DURATION

IS REASONABLE FOR ATTEMPTING TO ACCOMPLISH THIS OBJECTIVE.

3. MISSION DEFINITION OF US LABOR PRESENCE IN ARGENTINA CONNOTES SEPARATE BUT COMPLEMENTARY PROGRAMS AND ACTIVITIES SPONSORED AND IMPLEMENTED BY USG THROUGH EMBASSY AND BY US LABOR MOVEMENT. THERE ARE SOME AREAS IN WHICH LABOR ATTACHE CAN WORK MORE EFFECTIVELY THAN US LABOR REPRESENTATIVES BUT MORE OFTEN THAN NOT A UNION- TO- UNION RELATIONSHIP IS PREFERABLE AND INFINITELY MORE PRACTICAL IN POLITICAL SENSE THAN DIRECT USG INVOLVEMENT. LEADER GRANT PROGRAM AND USIS INFORMATION AND AUDIO- VISUAL SERVICES WILL CONTINUE TO BE EFFECTIVE LABOR ATTACHE TOOLS WHICH FACILITATE INTERPRETING AND INFLUENCING LABOR SECTOR IN ACCORDANCE WITH USG OBJECTIVES. THE EXTENT OF THAT INFLUENCE, HOWEVER, IS LIMITED BY NATURE OF ITS GOVERNMENTAL SOURCE WHICH WOULD BE TRUE EVEN IF ADDITIONAL PERSONNEL WERE ADDED TO EMBASSY LABOR OFFICE STAFF AND FUNDS WERE MADE AVAILABLE FOR INCREASED EMBASSY- DIRECTED PROGRAMS AND ACTIVITIES IN LABOR FIELD.

4. THE IMPORTANCE OF ORGANIZED LABOR AS A POLITICAL FORCE IN ARGENTINA COULD NOT HAVE BEEN MORE DRAMATICALLY DEMONSTRATED THAN BY RECENT PERONIST VICTORY IN NATIONAL ELECTIONS. POLITICAL OBSERVERS ATTRIBUTE UPWARDS OF FIVE MILLION PERONIST VOTES TO UNIONISTS AND THEIR FAMILIES. PRESIDENT- ELECT HECTOR CAMPORA EXPRESSED HIS APPRECIATION TO LABOR ON MARCH 13 AT GENERAL LABOR CONFEDERATION HEADQUARTERS WHERE HE PLEDGED THAT NEW LABOR MINISTER WOULD BE TRADE UNIONIST, CGT SECGEN WOULD AGAIN HAVE EX- OFICIO CABINET STATUS, THE GOA LABOR ATTACHE PROGRAM, DROPPED WITH PERON'S 1955 OVERTHROW, WILL BE REINSTITUTED;

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUENOS 02038 01 OF 02 232305 Z

AND ORGANIZED LABOR WILL BE INEGRAL PART OF NEW GOVERNMENT, ACTIVELY PARTICIPATING AT ALL LEVELS. (NOTE: WEST GERMANY AND ISRAEL HAVE RECOGNIZED IMPORTANCE OF LABOR BY FINANCING DGB AND HISDADRUT REGIONAL LABOR PROGRAMS IN ARGENTINA. GOVT OF SPAIN IS NOW ATTEMPTING ORGANIZATION OF IBERO- AMERICAN LABOR ARGANIZATION HOPING TO USE ARGENTINE CGT AS KEYSTONE.)

5. SINCE 1964, CULTIVATION OF THE PERONIST- DOMINATED LABOR MOVEMENT (WHICH CONTROLS 95 PERCENT OF ORGANIZED ARGENTINE LABOR) HAS BEEN A PRIORITY USG LABOR POLICY OBJECTIVE. THIS HAS LARGELY BEEN ACCOMPLISHED THROUGH COMBINATION OF EMBASSY- SPONSORED EXCHANGE AND INFORMATION PROGRAMS, INCREASED AFL- CIO CONTACTS AND TRADE SECRETARIAT ACTIVITIES. AIFLD/ AID PROGRAM, HOWEVER, THROUGH EDUCATION, HOUSING AND SOCIAL PROJECTS HAS BEEN MAIN COG IN EFFORT. TEN YEARS AGO USG AS WELL AS US LABOR MOVEMENT RELATIONS WITH ORGANIZED LABOR IN ARGENTINA WERE CONFINED TO THE MINISCULE NON- PERONIST SECTOR. THE BITTER " ANTI- YANKEE" POSTURE OF PERONIST LABOR WHICH EMANATED IN LARGE PART FROM AMERICAN LABOR'S ANTI- TOTALITARIAN CONFRONTATION WITH PERON THROUGH OUT HIS REGIME, MILITATED AGAINST DEVELOPMNT OF RAPPROCHMENT WITH MOST POWERFUL POLITICAL FORCE IN ARGENTINA OTHER THAN MILITARY. TODAY THERE ARE VESTIGES OF ANTI- US SENTIMENT AMONG SOME HARD LINE PERONIST UIONS BUT GENERAL AMBIENT HAS BEEN TRANSFORMED FROM ONE OF OPEN HOSTILITY TO ONE OF DIALOGUE WITH MOS

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CONFIDENTIAL

PAGE 01 BUENOS 02038 02 OF 02 241652 Z

47
ACTION ARA-17

INFO OCT-01 ADP-00 SS-14 SIL-01 AID-20 PM-09 L-03 EB-11

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NSAE-00 RSC-01 NSC-10 EUR-25 NEA-10 RSR-01 LAB-06

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FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 1412

C O N F I D E N T I A L SECTION 2 OF 2 BUENOS AIRES 2038

6. IN NEW PERONIST- COMINATED CIVILIAN GOVERNMENT, THE ROLE OF ORGANIZED LABOR AND ITS POTENTIAL FOR INFLUENCING DIRECTION OF DOMESTIC AS WELL AS INTERNATIONAL POLICIES CANNOT BE OVER-

ESTIMATED. WITH LABOR LEADERS IN CONGRESS AND CABINET AND ACTIVELY PARTICIPATING IN GOVERNMENT AT ALL LEVELS, THE ALREADY SIGNIFICANT INFLUENCE OF LABOR TAKES ON NEW SINGULARLY IMPORTANT DIMENSIONS.

7. INTERNATIONALLY, ARGENTINE LABOR WITH FINANCIAL AND POLITICAL BACKING OF PERONIST GOVERNMENT CAN BE EXPECTED TO FOCUS TO GREATER DEGREE ON INTERNATIONAL ORGANIZATIONS, I. E. THE ILO, OAS AND COSATE, TRADE SECRETARIATS, AND INTER- AMERICAN AND LATIN AMERICAN TRADE UNION ORGANIZATIONS. THEY WILL PROBABLY SEEK TIES WITH EUROPEAN LABOR CENTERS AND COULD CONCEIVABLY ATTEMPT ONCE AGAIN TO ESTABLISH NEW LATIN AMERICAN CONFEDERATION EXCLUDING US LABOR.

8. MISSION HAS PREVIOUSLY REPORTED THAT ARGENTINE LABOR, AFTER YEARS OF ISOLATION, AGAIN IS LOOKING OUTWARD . FIFTY- TWO NATIONAL TRADE UNIONS ARE NOW AFFILIATED TO TRADE SECRETARIATS WHICH IS ATTRIBUTABLE IN LARGE MEASURE TO USG AND US LABOR EFFORTS. THEIR PRESENCE WILL CLEARLY BE FELT IN INTERNATIONAL FIELD AND MISSION IS CONCERNED THAT USG AND US LABOR POTENTIAL FOR INFLUENCING THAT PRESENCE WOULD BE DRastically REDUCED IF LABOR PROGRAMS IN ARGENTINA RE EITHER DROPPED OR RELEGATED SOLELY TO CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUENOS 02038 02 OF 02 241652 Z

LABOR ATTACHE CHANNEL. WITH PERONISTS ABOUT TO ASSUME POWER, TIME IS NOW AT HAND FOR GATHERING HARVEST OF COLLECTIVE EFFORTS AND SUBSTANTIAL INVESTMENT OF USG FUNDS SINCE AIFLD'S 1964 ARRIVAL IN ARGENTINA.

9. MISSION IS NOT PROPOSING AN EXTENSION OF BILATERAL AID AND BASES NEED FOR FUTURE US LABOR PRESENCE ON POLITICAL RATHER THAN DEVELOPMENTAL CONSIDERATIONS. AIFLD PHASE- OUT PROGRAM IS PROCEEDING ON SCHEDULE. SOLE PURPOSE OF RECOMMENDING THAT AIFLD BE UTILIZED AS COMPLEMENTARY INSTRUMENT FOR MAINTAINING LOW KEY BUT EFFECTIVE US PRESENCE IN ARGENTINA IS LACK OF VIABLE ALTERNATIVES. MISSION IS UNAWARE OF ANY AFL- CIO OR TRADE SECRETARIAT WILLINGNESS TO ASSUME RESPONSIBILITY FOR SUCH UNDERTAKING AND DOES NOT CONSIDER EMBASSY LABOR PROGRAMS, EVEN IF ESCALATED, ADEQUATE TO ACHIEVE POLITICAL OBJECTIVES. MISSION REITERATES ITS OPPOSITION TO CONTINUATION OF AIFLD/ A PROGRAM AS PRESENTLY CONSTITUTED BUT VIEWS ESTABLISHMENT OF AIFLD REGIONAL OFFICE AS ONLY PRACTICAL MECHANISM FOR IMPLEMENTING LABOR PROGRAMS AND ACHIEVING DESIRED LEVERAGE FOR EXERTING US INFLUENCE IN LABOR SECTOR.

10. PARAGRAPH FOUR OF REFTEL REQUESTS CLEARER DEFINITION OF ATTAINABLE OBJECTIVES OF PROPOSED REGIONAL PROGRAM AND ALSO INDICATES NEIGHBORING COUNTRIES ALREADY HAVE AID- FUNDED LABOR PROJECTS. MISSION REALIZES JUDGMENT OF OTHER COUNTRY TEAMS MUST

BE CONSIDERED BUT SUGGESTS THAT CONDITIONS UNDER WHICH AIFLD IS FUNCTIONING IN OTHER COUNTRIES LENDS ADDITIONAL JUSTIFICATION FOR ESTABLISHMENT OF REGIONAL PROGRAM IN ARGENTINA. IN CHILE, FOR EXAMPLE, AIFLD PROGRAMS HAVE PRACTICALLY BEEN SUSPENDED. THERE IS NO AIFLD PROGRAM IN PERU. AIFLD/ URUGUAY ACTIVITIES ARE SCHEDULED FOR SUSPENSION ON MARCH 31 BECAUSE OF INTERNAL UNION DISPUTE. AIFLD/ PARAGUAY HAS LIMITED BUDGET AND BECAUSE OF UNDER- DEVELOPED STATE OF LABOR LEADERSHIP COULD EFFECTIVELY DRAW UPON REGIONAL PROGRAM FOR OUTSIDE EXPERTISE. ALL FOUR COUNTRIES AS WELL AS BOLIVIA WOULD BENEFIT FROM REGIONAL SEMINAR ATTENDANCE IN ARGENTINA AND US OPPORTUNITY TO INFLUENCE DEVELOPMENTS IN LABOR SECTORS THESE COUNTRIES WOULD BE EXPANDED. IT SHOULD ALSO BE NOTED THAT PRINCIPAL LABOR CENTERS OF CHILE, URUGUAY AND PERU ARE ANTI- US AND LEFTIST CONTROLLED WHILE ARGENTINE LABOR MOVEMENT IS PRONOUNCEDLY ANTI- MARXIST AND AMENABLE TO A CERTAIN EXTENT TO COOPERATION WITH US LABOR IN INTERNATIONAL ORGANIZATIONS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUENOS 02038 02 OF 02 241652 Z

1. REVISED MISSION RECOMMENDATION FOR ESTABLISHMENT OF REGIONAL PROGRAM ENVISAGES FOLLOWING: (A) STAFF CONSISTING OF REGIONAL REPRESENTATIVE (PRESENT AIFLD/ A DIRECTOR SUEIRO WOULD BE EXCELLENT CHOICE THIS POSITION), COORDINATOR FOR SEMINARS AND LIAISON WITH TRADE SECRETARIATS, RESEARCH AND INFORMATION OFFICER; ADMINISTRATIVE SECRETARY; SECRETARY AND TYPIST; (B) ESTABLISHMENT OF RESEARCH AND INFORMATION DEPARTMENT WHICH WOULD SUPPLY BOOKS, TECHNICAL DATA AND MATERIALS AND AUDIO- VISUAL AIDS TO SUPPORT REGIONAL SEMINARS, OTHER AIFLD MISSIONS AND TRADE SECRETARIATS; (C) INITIATION OF LEADER EXCHANGE PROGRAM WHICH WOULD COMPLEMENT EMBASSY- SPONSORED LEADER GRANT AND STAG PROGRAMS, WITH EMPHASIS ON BRINGING US TRADE UNION REPRESENTATIVES TO ARGENTINA; (D) BACKSTOPPING TRADE SECRETARIAT ACTIVITIES, PARTICULARLY EDUCATION PROGRAMS; (E) ARRANGING EDUCATION PROGRAMS WITH ARGENTINE UNIONS WHICH DO NOT FALL UNDER TRADE SECRETARIAT JURISDICTION; (F) ESTABLISHING POOL OF ARGENTINE EXPERTS WHO COULD BE UTILIZED IN REGIONAL SEMINARS IN ARGENTINA AND NEIGHBORING COUNTRIES.

11. REFTEL RAISES QUESTION OF POSSIBLE RAMIFICATIONS EXPANDED ARGENTINE INFLUENCE ELSEWHERE IN LATIN AMERICA AND WHETHER OR NOT IT WOULD BE IN US INTERESTS. THERE IS CLEARLY NO EXPECTATION THAT THE GOA BACKED LABOR MOVEMENT WILL FOLLOW COURSES OF ACTION WHICH WILL ALWAYS COINCIDE WITH US POSITIONS. GROWING TREND TOWARD LATIN AMERICANISM AND INCREASINGLY STRONG CURRENT OF NATIONALIST SENTIMENT FIND NATURAL EXPRESSION IN

TRADITIONAL " THIRD POSITION" OF PERONISM. NEVERTHELESS
EXPANDED INFLUENCE OF BASICALLY DEMOCRATIC ORIENTED ARGENTINE
LABOR
MOVEMENT WILL UNDOUBTEDLY CONTRIBUTE IDEOLOGICAL BALANCE TO LABOR
SECTOR ON HEMISPHERIC BASIS AND ENHANCING US LABOR POTENTIAL
FOR INFLUENCING THE ARGENTINES AS THEY ENTER NEW PHASE OF INTER-
NATIONAL INVOLVEMENT IS VERY MUCH IN US INTEREST. MISSION,
THEREFORE, REMAINS FIRMLY CONVINCED THAT A CONTINUED US LABOR
PRESENCE ON REGIONAL BASIS IN ARGENTINA, WHETHER UNDER AIFLD, AFL-
CIO OR TRADE SECRETARIAT AUSPICES, IS VITAL TO US POLICY
OBJECTIVES IN THE SOUTHERN CONE.
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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 23 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BUENOS02038
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730335/aaaaides.tel
Line Count: 293
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 16 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16-Jan-2002 by willialc>; APPROVED <04-Feb-2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971218
Subject: AIFLD REGIONAL PROGRAM REF STATE 22191
TAGS: EAID
To: ARA
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005